

Message Text

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S E C R E T SECTION 01 OF 03 LONDON 14488

E.O. 11652: XGDS-1

TAGS: OVIP (SCHLESINGER, JAMES R), UK, US, MARR

SUBJ: SECRETARY SCHLESINGER'S VISIT TO UK - SOME TOPICS

OF BACKGROUND INTEREST

REF: (A) LONDON 14337; (B) LONDON 14387; (C) NATO 5045

1. SUMMARY: THE BACKDROP AGAINST WHICH SECDEF'S VISIT COMES IS ONE OF A GOVERNMENT IN DEFINITE COMMAND BUT BELEAGUERED -- IF NOT INNUNDED -- WITH PROBLEMS ON ALL FRONTS WHICH APPEAR, IN THE SHORT-TERM AT LEAST, TO BE ALMOST INSOLUBLE. ON THE ISSUES OF DEFENSE, "THE IMPERATIVES OF ECONOMICS" WILL EXERCISE AS MASON HIMSELF HAS OFTEN NOTED "A COMMANDING INFLUENCE" OVER THE LEVEL THE UK DEVOTES TO DEFENSE. CERTAINLY, THE WILSON GOVERNMENT WILL CONTINUE TO RESIST FURTHER REDUCTIONS IN DEFENSE SPENDING, BUT RESISTANCE WILL HAVE TO BE PLAYED OUT AGAINST SHARPLY INCREASING PRESSURES FROM MANY QUARTERS TO REDUCE PUBLIC EXPENDITURE, INCLUDING DEFENSE. AS NOTED IN REFTTEL B, THE WILSON GOVERNMENT APPEARS WILLING TO PAY A RELATIVELY HEAVY POLITICAL PRICE TO PROTECT THE DEFENSE BUDGET. NONETHELESS, ECONOMIC EXIGENCIES WILL PROBABLY FORCE THE MOD TO SUFFER AT LEAST A MODEST REDUCTION IN WHAT "THE GOVERNMENT CAN AFFORD TO PROVIDE". AS MASON HAS HIMSELF NOTED "IT IS THE NEED FOR MONEY THAT

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BRINGS DEFENSE OUT OF THE RAREFIED ATMOSPHERE OF INTER-

NATIONAL POLICY AND DOWN INTO THE MIDST OF THE DAY-TO-DAY POLITICAL BATTLE". END SUMMARY.

2. WITHIN THE CABINET, THERE CAN BE LITTLE QUESTION THAT WHILE DEFENSE AND DEFENSE RELATED ISSUES CLEARLY TAKE A REAR SEAT TO ECONOMIC AND FOREIGN AFFAIRS, MASON HIMSELF HAS -- AS A TOUGH-MINDED, BRIGHT, CLEVER AND DOGGED INFIGHTER -- MANAGED TO KEEP "THE DEFENSE PRIORITY" HIGH WITHIN THE GOVERNMENT. SECDEF'S VISIT COMES ALMOST ON THE EVE OF THE LABOR PARTY'S ANNUAL CONFERENCE (SEPT. 29-OCTOBER 3). IT IS EXPECTED THAT THE PRIME MINISTER AND SECRETARY MASON WILL FACE -- IN THE CONTEXT OF THE RE-NEWAL OF THE RIGHT-WING VERSUS LEFT-WING CONFLICT WITHIN THE PARTY -- A SERIOUS CHALLENGE ON DEFENSE POLICY ISSUES AIMED AT GETTING FURTHER DEFENSE SPENDING CUTS. SEVEN OR MORE RESOLUTIONS TO THIS END WILL CRITICIZE OR CHALLENGE SPECIFIC ASPECTS OF THE GOVERNMENT'S POST-DEFENSE REVIEW DEFENSE POLICY, PARTICULARLY THE LEVEL OF DEFENSE SPENDING. RESOLUTIONS CRITICAL OF DEFENSE SPENDING WILL BE GIVEN ADDED FUEL THIS YEAR BY THE SERIOUS ECONOMIC TROUBLES FACING GOVERNMENT, THE LEVEL OF UNEMPLOYMENT AND THE INCREASINGLY SHARP CUTTING EDGE OF THE ANTI-INFLATION WEAPONS ADOPTED BY THE GOVERNMENT. CERTAINLY, THE PROSPECTS FOR PASSAGE OF A RESOLUTION DEMANDING FURTHER CUTS IN DEFENSE SPENDING APPEAR TO BE GOOD. THUS, WILSON, MASON AND LABOR MODERATES WILL HAVE THEIR TIME CUT OUT FENDING OFF ATTACKS ON DEFENSE POLICY SINCE BRITAIN'S CONTINUING ECONOMIC DIFFICULTIES AND THE SLOWNESS OF THE CURE FOR BRITAIN'S MALAISE EXPOSE DEFENSE TO EASY ATTACK IN ANY BATTLE ON PRIORITIES.

3. MASON MAY ONCE HAVE BEEN DISMISSED AS "A LIGHTWEIGHT" IN THE CABINET, BUT HIS PERFORMANCE DEMONSTRATES CLEARLY THAT TO DATE HE HAS ASSIDUOUSLY MANAGED TO PROTECT -- PERHAPS EVEN ADVANCE RELATIVELY -- THE INTERESTS OF DEFENSE IN THE BATTLE OVER PRIORITIES. OUR JUDGMENT IS THAT IT IS MORE THE PM (AND PERHAPS HEALEY) THAN MASON OR CALLAGHAN WHOSE RESOLVE TO RESIST FURTHER CONTINUING PRESSURES TO CUT THE DEFENSE BUDGET "NEEDS STIFFENING". ALL THINGS CONSIDERED, WE HAVE A GOOD FRIEND IN

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MASON.

4. REF B NOTED ITEMS BRITISH ARE PREPARED TO DISCUSS. ALTHOUGH THE SITUATION IN NORTHERN IRELAND HAS NOT BEEN MENTIONED BY THEM AS A TOPIC, IT MAY COME UP. RECENTLY THE BRITISH ARMY HAS HAD TO INCREASE THE NUMBER OF TROOPS IN NORTHERN IRELAND BECAUSE OF INCREASED TERRORISM NEAR THE BORDER WITH THE REPUBLIC. THERE ARE

NOW APPROXIMATELY 14,800 TROOPS IN NORTHERN IRELAND. OF THAT NUMBER APPROXIMATELY 4,000 COME FROM THE BAOR AND APPROXIMATELY 4,000 FROM GREAT BRITAIN. THE REMAINDER ARE NORMALLY STATIONED IN NORTHERN IRELAND. NATURALLY,

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THE STATIONING OF TROOPS FROM BAOR AND GREAT BRITAIN DETRACTS FROM THEIR READINESS TO PERFORM THEIR NATO MISSIONS. ALSO, NORMAL UNIT AND INDIVIDUAL TRAINING HAS BEEN DELAYED BECAUSE ALL PERSONNEL SERVING IN NORTHERN IRELAND MUST UNDERGO SPECIAL TRAINING ASSOCIATED WITH THEIR MISSION. SUCH SPECIAL TRAINING DEGRADES THE UK ARMY'S NORMAL TRAINING WHICH IS AIMED AT FIGHTING A LAND WAR IN EUROPE. BUT AS THE BRITISH HAVE OBSERVED, THIS IS NOT UNLIKE THE SITUATION WHICH FACED THE US ARMY IN EUROPE DURING THE WAR IN VIETNAM.

5. ON THE MATTER OF RATIONALIZATION/STANDARDIZATION AND "TWO-WAY STREET", REFTTEL C, WE AGREE FULLY THAT MASON WILL TAKE THE OPPORTUNITY TO PRESS, INTER-ALIA, FOR ACTION NOW. BRITAIN'S FOCUS ON THE NEED FOR "IMMEDIATE ACTION. VIS-A-VIS THE "TWO-WAY STREET" STEMS FROM REALI-

ZATION THAT THE ECONOMIC CRISIS MAKES IMPERATIVE THE
NEED FOR BRITAIN TO INCREASE EXPORTS AND GOLD-FLOW
EARNINGS -- AND DEFENSE SALES ARE SEEN AS A GOOD MEANS
FOR HELPING BRITAIN HELP ITSELF. ON THE OTHER HAND,
MASON CERTAINLY RECOGNIZES THAT WHILE BRITAIN HAS COM-
PELLING ECONOMIC REASONS FOR WANTING TO BOLSTER UK DE-
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FENSE INDUSTRIES IN THE IMMEDIATE SHORT-TERM, THE WHOLE
THRUST OF RATIONALIZATION/STANDARDIZATION PRECLUDES
THIS "AS AN END IN ITSELF,. CERTAINLY, MASON HIMSELF
EMPHASIZES THE NEED FOR ACTION NOW ON THE GROUNDS THAT
WITHOUT "POLITICAL WILL AND DETERMINATION" TO OVERCOME
BUREAUCRATIC INERTIA (WHICH, MASON HAS NOTED, "NATIONAL
SOVEREIGNTY" INEVITABLY PLACES IN THE WAY OF "THOSE
WHO WOULD MAKE REAL PROGRESS IN DEFENSE COOPERATION")
NO PROGRESS AT ALL WOULD BE MADE. WE BELIEVE LONDON SEES
THE US AND ITSELF AS THE PRIME-MOVERS FOR PROGRESS (SEC
DEF AT DPC, THE NATO NAC INITIATIVE; MASON WITHIN
EUROGROUP AND BILATERALLY WITH US) AND THE CONTINENTAL
NATO GOVERNMENTS GENERALLY MORE AS OBSTACLES. IN ANY
EVENT, THE BRITISH RECOGNIZE THAT CLOSER COOPERATION/
COLLABORATION IN WEAPONS DEVELOPMENT, PRODUCTION AND
PROCUREMENT WILL FORCE THEIR RELATIVELY INEFFICIENT
DEFENSE INDUSTRIAL BASE TO "PAY A PRICE", WHICH WE
BELIEVE THEY WILL BE WILLING TO PAY IN DUE COURSE. MASON
CERTAINLY SEES THE LONG-TERM IMPERATIVES OF THE NEED FOR
GROWING DEFENSE COOPERATION WITHIN THE ALLIANCE, PARTI-
CULARLY AMONGST THE EUROPEAN MEMBERS, AS A HIGHER PRIORI-
TY OBJECTIVE THAN SIMPLY SATISFYING SHORT-TERM UK
INDUSTRIAL NEEDS. A THEME RUNNING THROUGH ALL OUR DIS-
CUSSIONS HERE IS THE IMPORTANCE HMG ATTACHES TO DOING
NOTHING IN RATIONALIZATION/STANDARDIZATION WHICH COULD
BE VIEWED AS A DETRIMENT TO THE BILATERAL DEFENSE RELA-
TIONSHIP IN ITS BROADEST MANIFESTATION. HOWEVER IT IS
ALMOST A TENET OF NEW FOUND FAITH NOW THAT THAT RELATION-
SHIP CAN ONLY BE SUSTAINED IF BRITAIN, WITH THE EUROPEAN
ALLIES, IS COLLECTIVELY ABLE TO DEAL WITH THE US ON A
MORE EVEN BALANCE OF STRENGTH BETWEEN "A MORE UNITED
EUROPE" ON ONE HAND AND THE US ON THE OTHER.

6. WHILE THERE ARE A HOST OF US WEAPON SYSTEMS THAT THE
BRITISH SERVICES ARE DESIROUS OF PURCHASING FROM THE US
(THESE INCLUDE AWACS, HARPOON, PRECISION GUIDED WEAPONS,
ECM, FOLLOW-ON AIR COMBAT FIGHTER, TOW, VULCAN, ETC.),
THERE IS A DEFINITE REQUIREMENT FOR RECIPROCITY IN SOME
FORM IF THE UK IS TO PURCHASE US EQUIPMENT. AT PRESENT
THERE ARE TWO VERY SIGNIFICANT ITEMS THAT INTEREST THE
US AND PURCHASE OF WHICH WOULD CONSTITUTE IMPLEMENTATION
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OF THE "TWO-WAY STREET" NOTION. THEY ARE AV-8B FOLLOW-ON
HARRIER AIRCRAFT IN EARLY 1980 TIME FRAME FOR THE US
MARINE CORPS; AND AIRCRAFT FLIGHT SIMULATORS FOR ALL OUR
DEFENSE FORCES. THESE ITEMS ALONE COULD EASILY AMOUNT TO
OVER ONE BILLION DOLLARS OF DEFENSE BUSINESS PLACED IN
THE UK IN THE NEXT YEARS. IN ADDITION, THE FOLLOWING
LIST OF UK CANDIDATES SHOW

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POTENTIAL: MUNITIONS - BL-755 LOW ALTITUDE CLUSTER BOMB,
XJ-521 SPARROW MISSILE, AN AIRFIELD ATTACK WEAPON IN
R&D PRESENTLY KNOWN AS ASR 1217, AND AN IMPROVED NAVY
TORPEDO DESIGNATED AS 7511; AIRCRAFT - LYNX HELICOPTER
FOR NAVY SHIPBOARD MISSIONS, JETSTREAM AIRCRAFT
(SCOTTISH AVIATION AND GRUMMAN) FOR THE NAVY MULTI-
ENGINE TRAINER; SHIPS - GLASS REINFORCED PLASTIC HULLS,
MINE COUNTERMEASURES VEHICLE, AND HOVERCRAFT; ENGINES -

RB-199 ENGINE FOR POTENTIAL USE IN F-18 VARIANTS, AND
"MARINIZED" SPEY ENGINE; WEAPON - FIELD HOWITZER 70,
RADEN 30 MM ARMORED VEHICLE GUN, AND SEA-WOLF ANTI-
MISSILE SYSTEM; MISCELLANEOUS - SEA SPRAY RADAR FOR HELI-
COPTERS, NUCLEAR BIOLOGICAL CHEMICAL PROTECTIVE CLOTHING,
MEDIUM GIRDER BRIDGE, HELO 2100 PERISCOPE FOR ARMORED
VEHICLES, STABILIZED HAND-HELD BINOCULARS, HELICOPTER
CARGO NETS, AND SMOKE DISCHARGER KIT FOR ARMORED
VEHICLES.

7. IN THE AIRCRAFT FIELD, THE MRCA PROGRAM IS CONTINU-
ING THROUGH ITS DEVELOPMENT CYCLE WITH FOUR PROTOTYPE
AIRCRAFT NOW FLYING AND APPROXIMATELY 130 FLIGHT HOURS
AND OVER 130 SORTIES. TWO AIRCRAFT ARE FLYING IN THE UK
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AND TWO AIRCRAFT IN THE FRG. THE ITALIAN AIRPLANE IS
SCHEDULED TO FLY IN THE LATE FALL. MAJOR PROBLEM AREAS
HAVE BEEN WITH THE RB-199 ENGINE. THE TECHNICAL DIFFICUL-
TIES APPEAR TO HAVE BEEN RESOLVED AND WILL BE TEST FLOWN
IN JANUARY 1976. THIS PROGRAM IS STILL ONE OF THE MOST
IMPORTANT MAJOR DEFENSE PROGRAMS IN EUROPE TODAY AIMED AT
FULFILLING A SIGNIFICANT PORTION OF THE
ALL-WEATHER STRIKE ROLE FOR THESE THREE MAJOR NATO
COUNTRIES IN THE 1980S.

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